

College of Management of Technology (CDM)

Entrepreneurship and New Venture Strategy

Spring 2020

February 19 - May 27, 2020

9:15am-12:00pm

Room ODY 0 16

Lecturer

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Entrepreneurship & Technology Commercialization (ENTC)

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COURSE OVERVIEW

This class is the foundation course in Entrepreneurial Management. The purpose of this course is to explore new venture creation by adopting a process perspective – from opportunity recognition to establishing a successful new firm – and by studying the challenges of entrepreneurship from multiple functional perspectives, e.g., finance, managerial economics and marketing, as well as from the perspective of various key constituents involved in new venture creation (e.g., venture capitalists). In this course, a new venture is defined as an innovative start-up firm, which has a high potential for growth and value generation.

DIDACTIC APPROACH AND CLASS ATTENDANCE

From a didactic perspective, the course will combine several learning methods.

- You will work in groups on a new venture proposal, i.e. generate business ideas, identify problems, analyze and evaluate alternatives, and develop plans. Thereby you can apply theoretical knowledge and will be able to experience the early stages of new venture creation.
- You will learn about key issues in new venture creation in class, you will discuss short case studies, you will be exposed to key theoretical writings on entrepreneurship and practice-oriented publications, and you will provide feedback to fellow students.
- Guest lecturers such as entrepreneurs will speak on specific topics of their expertise.

As much of the learning will occur in the classroom, class attendance and active class participation are crucial to obtain the value this class is offering. Thus, it is imperative that you come to class prepared. Please expect to be cold called, e.g. with questions on the readings or the cases. You are also expected to be in class on time out of respect to your fellow students and the lecturer.

Each student may miss two classes without penalty, except those during which their team will make a presentation. After those two, your class participation and overall grade will be lowered.

Note: As student teams will be formed in Session 3, attendance on March 04, 2020 is mandatory. Students not attending this session will be excluded from class and will not receive credits. Please come in person to discuss with the lecturer if you have a problem with this requirement.

Please note that group work outside the class is an essential element of this course. Expect an above-average workload for this class.

LEARNING OUTCOMES

The course will offer an understanding of new venture creation combined with practical techniques and methods for analyzing and evaluating business opportunities, crafting growth-oriented strategies and developing creative approaches to commercialization.

The class will prepare students to work as key employees in new ventures, to pursue careers as autonomous entrepreneurs, careers as corporate entrepreneurs in established organizations and careers in the start-up community.

The five main pedagogical objectives of this course are:

- Understand the challenges of new venture creation in a comprehensive, integrative way
- Experience the early stages of the entrepreneurial process by working on a venture project proposal
- Sharpen your ability to analyze and evaluate new venture opportunities
- Be able to write and present a convincing venture project proposal
- Develop an “entrepreneurial mindset”

MATERIALS/ READINGS

Course materials are available online on the Moodle Platform for the course: <http://go.epfl.ch/ENVS>. You are recommended to download all documents prior to each class. Additional readings might be handed out in class.

Our discussion and teamwork tool is called Slack. You may join our group using your @epfl.ch email address at <https://dynamisons.slack.com/signup>. A brief tutorial and more information on our use of the software will be given in class. Note: for those who already use Slack with another organization, this group will not affect your account in any way.

This will be a safe place to share any interesting links related to entrepreneurship, business or personal development. You can also post questions to your classmates and offer responses.

ASSIGNMENTS

A. NEW VENTURE PROJECT

Early in the course we will form heterogeneous student groups who will work during the semester on a venture project proposal.

The new venture project has 3 phases and 4 deliverables (i.e., 1 presentation per phase, and a written venture proposal for the final phase.)

Phase I: New Venture Ideas

Each team is expected to creatively identify 2 to 3 business opportunities, which the team analyzes and evaluates. Your team is expected to come up with business ideas that are innovative (e.g., new product or service, new business model, new market, new value chain processes) and that offer a real potential for high-growth and value generation. While you should make use of ideas and solutions around you, the venture ideas should be an original effort of your team, and not a copy of someone

else's idea. Note that ideas relating to real-estate, restaurants and management consulting services will *not* be allowed in this course. If in doubt, ask the lecturer.

Deliverable: New Venture Ideas Presentation (max. 5 minutes, ~6 slides, .ppt or .pdf)

Submission deadline: before noon on Tuesday 17.03.2020 via Slack.

Presentation to be given during Session 5 – New Venture Ideas presentation

Phase II: Marketing and Strategy Concept

Once you have chosen the most promising idea your team will collectively work on shaping and refining the idea as well as your understanding of it. The main components of your venture should be defined, including

- WHAT it is you are proposing;
- WHY you are proposing it (Is there a market for this product or service? Is your venture going to solve a real need? What feedback did you receive when you tested this in the real world?)
- WHO you will be offering your product or service to (the initial customer segment)?
- WHERE (the market environment)?
- HOW you will introduce it (your marketing strategy for entering the market)

Deliverable: Marketing and Strategy Presentation (max. 7 minutes, ~7 slides, .ppt or .pdf)

Submission deadline: before noon on Tuesday 28.04.2020 via Slack.

Presentation to be given during Session 10 – Marketing and Strategy presentation

Phase III: Final Venture Concept

In the third phase of the class, you will further refine your venture concept and focus on the final venture concept proposal. This is an opportunity for you to build on or correct the prior assumptions from phase II. Revisit:

- the nature of your business idea and 'source' of opportunity;
- your product and/or service;
- your unique selling proposition and competitive advantage;
- your market entry strategy;

In addition, we expect to hear more about:

- your business model and financial planning;
- your risk and contingency planning, your operational plan; and
- your venture team, i.e., how you will make it all happen.

Deliverables:

- Final Presentation (max. 10 minutes, ~10 slides, .ppt or .pdf)
- Venture Concept Report (max. 14 pages, font size 11, 1.5 line spacing, .pdf)

Submission deadline: before noon on Tuesday 26.05.2020 via Slack.

Presentation to be given during Session 13 & 14 – Presentation of Final Venture Concept

Notes:

- Team changes will *not* be allowed during the semester.
- All presentations must be prepared in a way that the audience can understand all issues without any prior knowledge of the topic.
- This is a team effort. All students are expected to contribute equally to the project and its four parts (3 presentations and 1 venture proposal). All team members must present at some point during the new venture project.
- Each presentation will be followed by a Q&A session. All team members must be available for the Q&A session.
- All content that is not created by the team must be appropriately referenced in the presentations and written proposal.
- Detailed instructions about the deliverables are provided in a series of MEMOS available on Moodle.

B. INDIVIDUAL ASSIGNMENT: Interview an Entrepreneur

The goal of this individual assignment is to give you an expanded understanding of the entrepreneurial journey through the experiences and lessons learned by a seasoned entrepreneur, and to encourage you to think about how you will think, act, and make decisions under similar pressures and circumstances. This is your chance to talk to someone in whom you are truly interested, for instance because of the type of venture this person has founded, the industry this person is working in, or because of the technology he or she is commercializing. The ultimate aim of this assignment is to discuss your key takeaways from this interview, simply reporting what your interviewee has told you is therefore not sufficient—we want to see your *own independent assessment* of this entrepreneur's experience. Your essay should therefore demonstrate your abilities in critical thinking, analysis and emotional intelligence. More specifically, your tasks are the following:

- Select an entrepreneur to interview
 - Identify an entrepreneur in a domain that interests and excites you
 - Schedule the interview well before the due date!
- Define the focus of the interview
 - Specify an aspect of the business or entrepreneurial process to focus your interview (we will provide you with a list of suggestions for potential topics)
 - Prepare an interview guideline (we will provide you with a list of suggestions for interview questions)
- Conduct the interview
 - The interview should ideally last for at least 30 minutes
 - Try to engage your interviewee in a conversational style, use open-ended questions
- Analyze and interpret the interview
 - What are your key takeaways with respect to your topic focus?
 - What did you personally learn from this case?
 - How has this interview affected your understanding of entrepreneurship?
- Deliver your reflection paper
 - Write a max 4-page reflection paper on your interview with the entrepreneur
 - Relate your learnings from the interview to classroom discussion/ learnings/ readings
 - Note: evidence that you have read the assigned readings (through citations, use of quotes, attributed ideas) is encouraged.

Deliverable: Written report, max. 4 pages, font size 11, 1.5 line spacing.

Submission deadline: before noon on Monday 19.05.2020 via Moodle.

C. INDIVIDUAL ASSESSMENT: Peer to Peer Feedback

Your participation in class is vital to creating an environment of engaged learning for all of us. Evaluation of your participation will be based mainly on the quality of your contribution and insights in the feedback forms you will prepare for your peers after each of the mid-term presentations. Specifically you need to:

- Provide evidence of careful preparation of case studies and readings
- Actively participate in discussions and debates in class
- Demonstrate reflective thinking in providing critical and constructive opinions
- Give feedback to your fellow students after their presentations

FORM OF EXAMINATION & GRADING

- | | |
|---|-----|
| • The New Venture Project | 70% |
| <i>Within the new venture project, the parts count as follows</i> | |
| ○ New Venture Ideas Presentation | 20% |
| ○ Marketing and Strategy Presentation | 20% |
| ○ Final Venture Concept Presentation | 30% |
| ○ Final Venture Concept Report | 30% |
| • Individual Assignment: Reflection paper | 20% |
| • Individual Assessment: Peer to Peer Feedback | 10% |
| ○ New Venture Ideas Presentation | 50% |
| ○ Marketing and Strategy Presentation | 50% |

COURSE SCHEDULE. A QUICK OVERVIEW OF THE SESSIONS

* The syllabus may be subject to change, with prior announcements, to accommodate guest speakers.

** Also note that the final session is designed as double session.

Session	Date	Topics	Assignments
1	19.02.2020	Introduction to Entrepreneurship	
2	26.02.2020	Opportunity Identification and Evaluation	Join Slack group
3	04.03.2020	Project Team Formation & Guided Group Work Note: Attendance is mandatory. Otherwise you will not be able to complete this course.	
4	11.03.2020	Pitching and Presentation Skills	
5	18.03.2020	Presentation: New Venture Ideas	Presentation due on 17.03.2020, at noon
6	25.03.2020	Basics of Strategy in New Ventures	
7	01.04.2020	Business Model Design	
8	08.04.2020	Marketing in New Ventures	
9	22.04.2020	Financing your Venture	
10	29.04.2020	Presentation: Marketing and Strategy Concept	Presentation due on 28.04.2020, at noon
11	06.05.2020	Basics of Business Planning - Content and Process	Read Case Study before class
12	13.05.2020	Social Entrepreneurship	
-	20.05.2020	<i>No Session, as 27.05.2020 is an extended double session</i>	Individual assignment due on 19.05.2020, at noon
13 & 14	27.05.2020 8am-1pm (extended double session)	Presentation: Final Venture Concept Course wrap-up	Final Venture Concept presentation (ppt) on 26.05.2020, at noon
-	03.06.2020	<i>No Session, Submit final report online</i>	Final Venture Concept report (pdf) on 03.06.2020, by 23:59

Note: This class relies on timely submissions. Late submissions will lead to a lower grade.

DETAILED COURSE OUTLINE

All readings are available on Moodle platform associated with this course at: <http://go.epfl.ch/ENVS> (note ENVS should be capitalized).

February 19, 2020

Session 1: Introduction to Entrepreneurship

You'll get an overview of the domain of entrepreneurship, its importance and economic impact. Second, this session will serve to clarify the structure of the course, course deliverables and other formalities.

- Baron, R.A. and Shane, S.A. (2005). Entrepreneurship – A field and an activity. In: Entrepreneurship – A process perspective, chapter 1, pp. 2-26.

February 26, 2020

Session 2: Opportunity Identification and Evaluation

Readings:

- Gruber, MacMillan, and Thompson (2013): Escaping the Prior Knowledge Corridor: Variety in Opportunity Identification, Organization Science, pp. 280-300.

March 4, 2020

Session 3: Project Team Formation & Group Work

Teams will be formed in class, and led through a workshop on how to identify and evaluate potential business opportunities.

Note: Attendance is mandatory, as we need to form teams.

March 11, 2020

Session 4: Pitching and Presentation Skills

We'll provide you with the do's and don'ts of a good pitch and presentation.

Readings:

March 18, 2020

Session 5: Presentation of New Venture Ideas

Task: Present your venture ideas, your evaluation, and decision of which one to pursue.

March 25, 2020

Session 6: Basics of Strategy in New Ventures

- Hambrick, D.C. and Fredrickson, J. W. (2001). Are you sure you have a strategy? Academy of Management Executive. Vol. 15, No. 4, pp. 48-59.
- Stringham, E.P, Miller, J.K., and Clark, J.R. (2015). Overcoming barriers to entry in an established industry: TESLA MOTORS, California Management Review, 54 (4), 85-103.

April 01, 2020

Session 7: Business Model Design

Readings:

- Amit, R., and C. Zott (2012). Creating value through business model innovation, MIT Sloan Management Review, 53, pp.41-49.

April 08, 2020

Session 8: Marketing in New Ventures

Readings:

- Gruber, M. (2004). Marketing in new ventures: Theory and empirical evidence, Schmalenbach Business Review, Vol. 56, pp. 164-199.
- Lodish, L.M. et al. (2001). Positioning, targeting, and segmentation. In: Entrepreneurial Marketing, chapter 1, pp. 1-16; Summary of the book on pp. 237-243 (chapter 13).

April 15, 2020

No class: Easter Break

April 22, 2020

Session 9: Financing your Venture

Readings:

- Bhide, A. (1992). Bootstrap finance – the art of startups, HBR, Nov-Dec, pp. 109-117.
- Zider, B. (1998). How venture capital works, HBR, Nov-Dec, pp. 131-139.

April 29, 2020

Session 10: Marketing and Strategy Presentation

Task: Present your marketing and strategy concept

May 06, 2020

Session 11: Basics of business planning- Content and Process

Readings:

- McGrath, R.G. and MacMillan, I.C. (1995). Discovery-driven planning, HBR, July-August, pp. 44-54.
- Block, Z. and MacMillan, I.C. (1985). Milestones for successful venture planning, HBR, Sep-Oct, pp. 184-196.
- Sahlman, W.A. (1997). How to write a great business plan, HBR, July- August, pp. 98-108.
- Case Study: WALLYCARD. Read before class.

Note: This class session will be based on this case study. Please read it before class.

May 13, 2020

Session 12: Social Entrepreneurship

May 20, 2020

No class, as next session is an extended double session

Task: Submit your individual assignment

May 27, 2020

Session 13 & 14 (extended double session): Presentation of Final Venture Concept

Task: Present your venture concept proposal in a final presentation

June 3, 2020

No class: Final Venture Concept Report Due

Task: Submit your Final Venture Concept Report electronically